

Message Text

CONFIDENTIAL

PAGE 01 ANKARA 01500 260905Z

53

ACTION L-01

INFO OCT-01 SS-14 ISO-00 EUR-08 EB-03 OMB-01 NSC-05 NSCE-00

H-01 INR-05 CIAE-00 SCS-01 SCA-01 TRSE-00 /041 W
----- 013780

R 260803Z FEB 76

FM AMEMBASSY ANKARA
TO SECSTATE WASHDC 2573
INFO AMEMBASSY NICOSIA

C O N F I D E N T I A L ANKARA 1500

LIMDIS

E.O. 11652: GDS

TAGS: PFOR, CPRA, EIND, CY, TU

SUBJ: US PROPERTY INTERESTS IN NORTHERN CYPRUS (CMC)

REF: ANKARA 1484

1. PRIOR TO THE INITIAL DISCUSSION ON FEBRUARY 25 BETWEEN
CMC'S ANKARA REPRESENTATIVE (POLAR) AND THE GENERAL
MANAGER OF AZOT (AS REPORTED REFTEL), ECONOMIC/COMMERCIAL
COUNSELOR ASKED POLAR REPRESENTATIVES FOR FURTHER BACK-
GROUND ON THIS MATTER. LATTER CONSULTED THEIR FILES ON CABLES
AND OTHER CORRESPONDENCE EXCHANGED VARIOUSLY AMONGST, CMC,
LQOLAR, AZOT AND CMC'S LONDON AGENTS, MINING AND METALLUR-
GICAL ASSOCIATES, (MAMA). SOME SIGNIFICANT INFORMATION AS TO
HOW CURRENT SITUATION DEVELOPED THAT EMERGED FROM THIS DIS-
CUSSION WAS AS FOLLOWS:

A. IN MI-SEPTEMBER 1974, THE CMC REPRESENTATIVE IN
CYPRUS DISCUSSED WITH AZOT OFFICIALS THE CONTINUATION OF
DELIVERIES UNDER THE THEN EXISTING CONTRACT FOR
75,000 METRIC TONS PLUS OR MINUS 20 PERCENT. (ABOUT 50,000
TONS THEN REMAINED TO BE DELIVERED.) IT WAS AGREED THAT
ALTHOUGH CMC COULD NOT APPEAR TO BE DEALING WITH A TURKISH
FIRM, AZOT SHOULD ARRANGE TO LOAD FURTHER SHIPMENTS AND
ARRANGEMENTS FOR PAYMENT WOULD LATER BE WORKED OUT.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ANKARA 01500 260905Z

(POLAR REPRESENTATIVE TOLD E/COM COUNSELOR ON FEBRUARY 10

HE COULD NOT REPEAT NOT CONFIRM EXISTENCE OF SUCH AGREEMENT AS REPORTED ANKARA 1148. HOWEVER, AFTER CONSULTING OTHER POLAR EMPLOYEES AND RECORDS HE CONFIRMS THAT THERE WAS SUCH AN UNDERSTANDING.) CMC SUBSEQUENTLY SENT CABLE SAYING POLITICAL CONSIDERATIONS REQUIRED CANCELLATION OF FURTHER SHIPMENTS AND LATER CABLE SAYING THAT FURTHER SHIPMENTS WERE TAKEN UNDER DURESS. ALL FUTURE COMMUNICATIONS SHOULD BE REFERRED TO MAMA (CMC'S LONDON AFFILIATE).

B. POLAR IN DECEMBER 1974 REQUESTED THAT CMC SUBMIT INVOICES FOR THREE SHIPMENTS (TOTALLING ROUGHLY 20,000 TONS) PICKED UP BY AZOT SUBSEQUENT TO OCTOBER 1974 SO THAT PAYMENT COULD BE MADE UNDER EXISTING LETTER OF CREDIT.

C. AZOT LATER IN DECEMBER ADVISED THAT IT WOULD OPEN LETTER OF CREDIT IN FAVOR OF MAMA IF LATTER WOULD SUBMIT INVOICES.

D. IN JANUARY 1975, MAMA FORWARDED TO POLAR A LETTER FOR DELIVERY TO AZOT REGARDING IMPORPER ACTION BY AZOT. POLAR DID NOT DELIVER THE LETTER AS IT INFORMED MAMA THAT THE CONTENTS WERE INAPPROPRIATE AND WOULD CAUSE RESENTMENT. POLAR AT THE SAME TIME INFORMED MAMA THAT AZOT WAS READY TO MAKE PAYMENT AGAINST DOCUMENTS (INVOICES) FOR ALL PAST SHIPMENTS AND WISHED TO MAKE CONTACT TO PURCHASE ADDITIONAL 184,000 TONS OF ORE.

E. IN APRIL 1975, POLAR INFORMED CMC THAT AZOT WAS READY TO MAKE PAYMENT ANYWHERE IN WORLD AS DESIRED BY CMC BUT THAT IN ORDER TO TRANSFER FUNDS IT NEEDED INVOICES BECAUSE OF TURKISH EXHCNAGE CONTROLS.

F. AZOT LATER DISCUSSED SITUATION WITH TURKISH MINISTRY OF FINANCE WHICH AGREED TO RELAX SLIGHTLY PAYMENTS REQUIREMENTS. (INVOICES WERE STILL NEEDED BUT THEY NEED NOT BE TRANSFERRED THROUGH USUAL BANKING CHANNELS.)

G. SUBSEQUENTLY AZOT MADE PAYMENT TO THE TURKISH
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ANKARA 01500 260905Z

CYPRIOT AUTHROITIES HANDLING MINING MATTERS COVERING APPROXIMATELY 38,000 TONS OF PYRITES ORE (IN 5 SHIPMENTS) CONSIDERED AS FALLING UNDER THE CMC-AZOT CONTRACT AND FOR ALCN SUBSEQUENT SHIPMENTS MADE UNDER ARRANGEMENTS WITH THE TURKISH CYPRIOT AUTHORITIES.

2. THE ABOVE INFORMATION WAS PROVIDED INFORMALLY AND WITH

SOME RELUCTANCE BY POLAR FOR EHT EMBASSY'S BACKGROUND.
WE ARE IN TURN REPORTING IT SOLELY FOR BACKGROUND OF US
OFFICIALS HANDLING THIS MATTER. WE DO NOT BELIEVE THAT
FURTHER DISCLOSURE OR USE OF ABOVE INFORMATION IS NECESSARY
AT THIS TIME WHEN DISCUSSIONS BETWEEN POLAR AND AZOT
SEEKING AMICABLE RESOLUTION OF THIS PROBLEM HAVE JUST BEEN
INITIATED. HOWEVER, IF WASHINGTON OFFICIALS WISH TO MAKE
USE OF THIS INFORMATION, THE SOURCE SHOULD NOT REPEAT NOT
BE DISCLOSED AT THIS TIME.

MACOMBER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptoning: Z

Capture Date: 01 JAN 1994

Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: PROPERTY PROTECTION, CLAIMS, COPPER, BUSINESS FIRMS

Control Number: n/a

Copy: SINGLE

Draft Date: 26 FEB 1976

Decaption Date: 28 MAY 2004

Decaption Note: 25 YEAR REVIEW

Disposition Action: RELEASED

Disposition Approved on Date:

Disposition Authority: GolinoFR

Disposition Case Number: n/a

Disposition Comment: 25 YEAR REVIEW

Disposition Date: 28 MAY 2004

Disposition Event:

Disposition History: n/a

Disposition Reason:

Disposition Remarks:

Document Number: 1976ANKARA01500

Document Source: CORE

Document Unique ID: 00

Drafter: n/a

Enclosure: n/a

Executive Order: GS

Errors: N/A

Film Number: D760074-0177

From: ANKARA

Handling Restrictions: n/a

Image Path:

ISecure: 1

Legacy Key: link1976/newtext/t19760212/aaaaajqv.tel

Line Count: 125

Locator: TEXT ON-LINE, ON MICROFILM

Office: ACTION L

Original Classification: CONFIDENTIAL

Original Handling Restrictions: LIMDIS

Original Previous Classification: n/a

Original Previous Handling Restrictions: n/a

Page Count: 3

Previous Channel Indicators: n/a

Previous Classification: CONFIDENTIAL

Previous Handling Restrictions: LIMDIS

Reference: 76 ANKARA 1484

Review Action: RELEASED, APPROVED

Review Authority: GolinoFR

Review Comment: n/a

Review Content Flags:

Review Date: 14 APR 2004

Review Event:

Review Exemptions: n/a

Review History: RELEASED <14 APR 2004 by ShawDG>; APPROVED <15 APR 2004 by GolinoFR>

Review Markings:

Margaret P. Grafeld

Declassified/Released

US Department of State

EO Systematic Review

04 MAY 2006

Review Media Identifier:

Review Referrals: n/a

Review Release Date: n/a

Review Release Event: n/a

Review Transfer Date:

Review Withdrawn Fields: n/a

Secure: OPEN

Status: NATIVE

Subject: US PROPERTY INTERESTS IN NORTHERN CYPRUS (CMC)

TAGS: PFOR, CPRS, EIND, EMIN, CY, TU, US, CMC

To: STATE

Type: TE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006